

Cardium Therapeutics, Inc.  
Form 8-K/A  
August 25, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K/A**

**Amendment No. 1**

**CURRENT REPORT**

**pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**DATE OF REPORT (Date of earliest event reported): July 24, 2009**

**001-33635**

**(Commission file number)**

**CARDIUM THERAPEUTICS, INC.**

**(Exact name of registrant as specified in its charter)**

Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

**Delaware**  
(State of incorporation)

**27-0075787**  
(IRS Employer

Identification No.)

**12255 El Camino Real, Suite 250**

**San Diego, California 92130**  
(Address of principal executive offices)

**(858) 436-1000**  
(Registrant's telephone number)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**EXPLANATORY NOTE**

On July 29, 2009, Cardium Therapeutics, Inc., a Delaware corporation ( *Cardium* ), filed a Form 8-K to report it completed the asset sale of *Cardium*'s InnerCool Therapies business to Royal Philips Electronics ( *Philips* ). In response to part (b)(1) of Item 901 of such Form 8-K, *Cardium* stated that it would file the required financial information by amendment, as permitted by Item 9.01(b)(1) of Form 8-K. *Cardium* hereby amends its Form 8-K filed on July 29, 2009 to provide the required financial information.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(b)(1) Pro Forma Financial Information

The following unaudited pro forma condensed consolidated balance sheets as of June 30, 2009 give effect to the sale of *Cardium*'s Innercool subsidiary as if the sales had been consummated on June 30, 2009. The following unaudited pro forma condensed consolidated statements of operations for the fiscal year ended December 31, 2008 and the six months ended June 30, 2009 give effect to the sale of *Cardium*'s Innercool subsidiary as if the sale had been consummated at the beginning of those periods. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the results that actually would have occurred if the sales had taken place during such period or that may be attained in the future.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with *Cardium*'s consolidated financial statements and notes thereto. We have prepared the unaudited pro forma condensed consolidated financial information based upon estimates and assumptions we have deemed appropriate based upon currently available information, and such estimates and assumptions are discussed in the accompanying notes. We believe that our estimates and assumptions are reasonable, and the significant effects of this sale have been properly reflected in our unaudited pro forma condensed consolidated financial statements. However, actual results will differ from the estimates and assumptions used. The unaudited condensed consolidated financial information is presented for illustrative purposes and is not designed to represent, and does not represent, what the financial position or operating results would have been had the sale of substantially all of the assets of *Cardium*'s InnerCool business been completed as of the dates assumed, nor is it intended to project *Cardium*'s future financial position or results of operations.

Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

CARDIUM THERAPEUTICS, INC.

(A Development Stage Company)

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

(Unaudited)

June 30, 2009

|   | As<br>Reported      | Proforma<br>Adjustments | Use of<br>Proceeds  | Notes | Pro Forma<br>Total  |
|---|---------------------|-------------------------|---------------------|-------|---------------------|
| <b>ASSETS</b>   |                     |                         |                     |       |                     |
| <b>CURRENT ASSETS</b>   |                     |                         |                     |       |                     |
| Cash and cash equivalents   | \$ 773,084          | \$                      | \$ 2,571,594        | 1     | \$ 3,344,678        |
| Accounts receivable   | 42,240              |                         |                     |       | 42,240              |
| Current assets held for sale  | 6,390,795           | (6,390,795)             |                     | 2     |                     |
| Deferred financing costs, net   | 179,352             |                         |                     |       | 179,352             |
| Prepaid expenses and other current assets   | 77,051              |                         |                     |       | 77,051              |
| Total current assets  | 7,462,522           | (6,390,795)             | 2,571,594           |       | 3,643,321           |
| Restricted cash   | 400,000             |                         | 1,125,000           | 1     | 1,525,000           |
| Property equipment, net   | 583,489             |                         |                     |       | 583,489             |
| Long term assets held for sale  | 40,103              | (40,103)                |                     | 2     |                     |
| Deposits  | 179,938             |                         |                     |       | 179,938             |
| <b>TOTAL ASSETS</b>   | <b>\$ 8,666,052</b> | <b>\$ (6,430,898)</b>   | <b>\$ 3,696,594</b> |       | <b>\$ 5,931,748</b> |
| <b>LIABILITIES AND STOCKHOLDERS DEFICIENCY</b>  |                     |                         |                     |       |                     |
| <b>CURRENT LIABILITIES</b>  |                     |                         |                     |       |                     |
| Accounts payable  | \$ 3,867,139        | \$                      | \$                  |       | \$ 3,867,139        |
| Current liabilities of business held for sale   | 2,231,230           | (2,143,632)             | (87,598)            | 1 & 2 |                     |
| Accrued liabilities   | 2,182,238           |                         | (423,058)           | 1     | 1,759,180           |
| Short term debt   | 9,357,392           |                         | (6,741,000)         | 1     | 2,616,392           |
| Subtotal  | 17,637,999          | (2,143,632)             | (7,251,656)         |       | 8,242,711           |
| Derivative liabilities - fair value of warrants   | 20,382,056          |                         |                     |       | 20,382,056          |
| Total current liabilities   | 38,020,055          | (2,143,632)             | (7,251,656)         |       | 28,624,767          |
| Deferred rent   | 195,231             |                         |                     |       | 195,231             |
| <b>TOTAL LIABILITIES</b>  | <b>38,215,286</b>   | <b>(2,143,632)</b>      | <b>(7,251,656)</b>  |       | <b>28,819,998</b>   |
| <b>STOCKHOLDERS DEFICIENCY</b>  |                     |                         |                     |       |                     |
| Common stock, \$0.0001 par value; 100,000,000 shares authorized; 46,930,439 shares issued and outstanding | 4,699               |                         |                     |       | 4,699               |
| Additional paid-in capital  | 60,870,800          |                         |                     |       | 60,870,800          |
| Deficit accumulated during development stage  | (90,424,733)        | (4,287,266)             | 10,948,250          | 1 & 2 | (83,763,749)        |

Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

|   |              |                |              |              |
|---|--------------|----------------|--------------|--------------|
| TOTAL STOCKHOLDERS DEFICIENCY                 | (29,549,234) | (4,287,266)    | 10,948,250   | (22,888,250) |
| TOTAL LIABILITIES AND STOCKHOLDERS DEFICIENCY | \$ 8,666,052 | \$ (6,430,898) | \$ 3,696,594 | \$ 5,931,748 |

see notes to the pro forma condensed combined financial statements

Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

CARDIUM THERAPEUTICS, INC.

(A Development Stage Company)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2008

|   | As<br>Reported  | Pro Forma<br>Adjustments<br>(3) | Pro Forma<br>Total |
|---|-----------------|---------------------------------|--------------------|
| REVENUES  | \$ 2,417,385    | \$ (2,000,473)                  | \$ 416,912         |
| COST OF GOODS SOLD                                      | 1,431,574       | (1,431,574)                     |                    |
| GROSS MARGIN  | 985,811         | (568,899)                       | 416,912            |
| OPERATING EXPENSES                                      |                 |                                 |                    |
| Research and development                                | 12,315,652      | (1,273,722)                     | 11,041,930         |
| General and administrative                              | 11,600,115      | (5,070,771)                     | 6,529,344          |
| Amortization of Intangibles                             | 789,656         | (789,656)                       |                    |
| Total operating expenses                                | 24,705,423      | (7,134,149)                     | 17,571,274         |
| Interest income   | 102,201         |                                 | 102,201            |
| Interest (expense)                                      | (980,647)       | 430,820                         | (549,827)          |
|   | \$ (24,598,058) | \$ 6,996,070                    | \$ (17,601,988)    |
| EARNINGS PER SHARE                                      |                 |                                 |                    |
| Net loss per share - basic and diluted                  | \$ (0.55)       |                                 | \$ (0.39)          |
| Weighted average shares outstanding - Basic and diluted | 44,978,169      |                                 | 44,978,169         |

see notes to the pro forma condensed combined financial statement

Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

CARDIUM THERAPEUTICS, INC.

(A Development Stage Company)

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 2009

|   | As<br>Reported  | Pro Forma<br>Adjustments<br>(3) | Pro Forma<br>Total |
|---|-----------------|---------------------------------|--------------------|
| GRANT REVENUES  | \$ 25,632       | \$                              | \$ 25,632          |
| OPERATING EXPENSES                                      |                 |                                 |                    |
| Research and development                                | 2,351,307       |                                 | 2,351,307          |
| General and administrative                              | 2,510,141       |                                 | 2,510,141          |
| Total operating expenses                                | 4,861,448       |                                 | 4,861,448          |
| Change in fair market value of derivatives              | (14,474,181)    |                                 | (14,474,181)       |
| Interest income   | 6,773           |                                 | 6,773              |
| Interest (expense)                                      | (4,550,115)     |                                 | (4,550,115)        |
| Net loss from continuing operations                     | (23,853,339)    |                                 | (23,853,339)       |
| Net loss from discontinued operations                   | (2,026,212)     | 2,026,212                       |                    |
| Net loss  | \$ (25,879,551) | \$ 2,026,212                    | \$ (23,853,339)    |
| Basic and diluted per common shares                     |                 |                                 |                    |
| Net loss from continuing operations                     | \$ (0.51)       |                                 | \$ (0.51)          |
| Net loss from discontinued operations                   | \$ (0.04)       |                                 | \$ 0.00            |
| Net loss  | \$ (0.55)       |                                 | \$ (0.51)          |
| Weighted average shares outstanding - Basic and diluted | 46,930,788      |                                 | 46,930,788         |

*See notes to the pro forma condensed consolidated financial statements.*

Cardium Therapeutics, Inc.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FISCAL QUARTER ENDING June 30, 2009

(unaudited)

A. The pro forma condensed consolidated balance sheets are computed assuming the transactions were consummated on June 30, 2009, and include adjustments that give effect to events that are directly attributed to the Innercool transaction and are factually supportable regardless of whether they have a continuing impact or are nonrecurring.

B. Cash reflects the net proceeds is summarized as follows:

|                                   |                     |
|-----------------------------------|---------------------|
| Sale Proceeds                     | \$ 11,250,000       |
| Innercool Liabilities Not Assumed | \$ (87,598)         |
| Commission                        | \$ (141,750)        |
| Legal and Insurance Fees          | \$ (160,000)        |
| Short term debt repayments        | \$ (6,741,000)      |
| Interest payments                 | \$ (423,058)        |
| <b>Subtotal</b>                   | <b>\$ 3,696,594</b> |
| Escrowed Amount                   | \$ (1,125,000)      |
| <b>Net Proceeds</b>               | <b>\$ 2,571,594</b> |

Does not include assumed liabilities of approximately \$1.5 million.

Balance Sheet pro forma note:

Note 1 To reflect receipt of cash and payments made with proceeds

|          |  |             |
|----------|--|-------------|
| Increase | Cash   | 2,571,594   |
| Increase | Restricted cash  | 1,125,000   |
| Decrease | Accrued Liabilities for liabilities paid and<br>not assumed by Philips | (87,598)    |
| Decrease | Accrued interest expense paid to note holders                          | (423,058)   |
| Decrease | Short-term debt for payment to note holders                            | (6,741,000) |
| Increase | Stockholders equity from proceeds                                      | 10,948,250  |

Note 2 Eliminates the effect of Innercool Therapies, Inc. on the consolidated balance sheet as if the sale had taken place at June 30, 2009  
Income Statement pro forma note:



Edgar Filing: Cardium Therapeutics, Inc. - Form 8-K/A

Note 3 Eliminates the effect of Innercool Therapies, Inc. on the consolidated statement of income as if the sale had taken place at the beginning of the period presented.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CARDIUM THERAPEUTICS, INC.**

Date: August 25, 2009

By: /s/ Dennis M. Mulroy  
**Dennis M. Mulroy**  
**Chief Financial Officer**